Guidance N

New Charity

1. General

- 1.1 This Guidance Note appropriate to set u you read it before y
- 1.2 This Guidance Not might set up would Ireland, where the r

2. What is a charity?

- 2.1 Although the mear technical meaning of everyday meaning. might be considere activity that might in
- 2.2 An organisation will status if it meets co Guidance Note: Wh see here. That note it is established fo purposes". In essen or more of the 13 "h and that the organis is meant by "public

Limitations/disadvantage 3.

- 3.1 In addition to the re charity in law (as ou following limitations
 - 3.1.1 all of its asse
 - 3.1.2 any profit mi
 - 3.1.3 it must have
 - 3.1.4 its charity circumstanc
 - 3.1.5 it must not e
 - 3.1.6 its governin purposes (us
 - 3.1.7 the charity pursuance o

If you do not wish o up a new charity to

4. Advantages of charitable

4.1 The following benef

Guidance Note: Is it necessary or can see here and we suggest that quidance.

assumes that any charity that you Wales (not Scotland or Northern are different).

overlaps with the everyday noning is significantly different from its of activity that in everyday terms t also excludes some of areas of terms be thought of as charitable.

harity in law and then maintain that as to which please consider our n a Charity in Law? which you can organisation is a "charity" in law if and what is meant by "charitable anisation's purposes fall within one ses listed by the Charities Act 2011 nefit. That note also explains what

licable if an organisation is to be a organisation is a charity in law, the

herance of its charitable purposes; itable purposes;

ive financial benefits in limited

ude a statement of its charitable biects"): and

at its assets are only applied in and for the public benefit.

o these, you will not be able to set

sation is a "charity" in law:



4.1.1 availability o and the right

- 4.1.2 donors will g
- 4.1.3 business rat
- 4.1.4 access to function charity encompodies are of that they will
- 4.1.5 public recog

The different types of street

- 5.1 If you have made a decide on the lega structures can be use
 - 5.1.1 charitable cd
 - 5.1.2 charitable "association"
 - 5.1.3 charitable ur
 - 5.1.4 charitable tru
- 5.2 The first two of the using such a corpo legal protection fror entities do not provi
- 5.3 We suggest that you
 Templates subfolde
 types of legal struct
 which type of legal s
 templates for charit
- 5.4 As to CIOs in partic run only by its tru "foundation" model become larger an membership), the "Constitution Docum templates for both t
- 5.5 That subfolder als Organisations ("CIC Guidance Note: CIC structure for a charit whether to use the (

6. Trustees

- 6.1 No matter which led have trustees. The trustees, but there charity trustees will charity and on the s
- 6.2 Even though charity work or time, the po

may include corporation tax, VAT, donations.

nce tax on legacies to a charity.

standing of the organisation as a es in wills, or grant funding. (Some rant fund charities, or they decide

support.

ted by a charity

new charity, you will then need to to set it up. Any of the following

tee

on (CIO) (a "foundation" or below)

ucture are corporate entities, and harity's trustees with a degree of ity to third parties. Unincorporated

our Charity Constitution Document

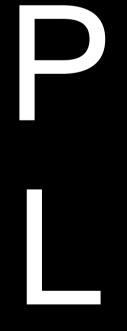
e. It refers to the above different
charity, and it can help you decide
our needs. That subfolder contains
hose various different structures.

of CIO. If your charity will be small, s will be its only members, the m. If, however, the charity is or will er membership (including voting the appropriate form. The Charity which you can find here contains association" models.

e Note: Charitable Incorporated ere. We suggest that you read that to only the use of CIOs as a legal onsidered initially when you decide gal structure to set up your charity.

for your new charity, it will need to arity will usually be the first charity al charity trustees. The number of gal structure that is adopted by the s, and circumstances of the charity.

and as such are not paid for their arries with it significant legal duties



and responsibilities individuals with a v some reluctance to to set up a new chaway. We suggest Guidance Note - Clas the Guidance Note - Note - Clas the Guidance Note - Clas -

- 6.3 Several online res individuals willing to
- 6.4 Before taking the de as its first trustees will impact on them be too great and/or the founders' purpo decide not to go ahe

7. Members

7.1 A charity may also and normally are e powers, but the cor terms of the charity' up the charity. The the charity. That is the charity.

8. Additional human resour

- 8.1 When a new charity management and o outset, or if it grows various tasks on a decision of the second sec
- 8.2 Staff
 - 8.2.1 Some charit outset or lat manage em need to adhe
- 8.3 Volunteers
 - 8.3.1 Trustees of They may no
 - 8.3.2 It is all too informally si number of managed in Volunteers v have a volu volunteers the reasons, on that they are Note also e charities have

9. Financing

9.1 A charity cannot ha issue of shares. Cha

as a consequence, if you approach a charity trustee, they might have reason why you might decide not achieve your aims in some other you read the introduction to our sponsibilities and liabilities as well u can see here.

enable charities to find suitable role

r, the individuals intending to serve elves with those areas of law that esult, it is felt that the burden would s burdensome means of achieving ose prospective first trustees might r charity at all.

ually form the organisation initially stees. The members have limited nechanism for them to change the II be able to decide whether to wind nsible for or involved in managing s

ight initially be able to carry out all it is not a small organisation at the trustees will need assistance with

or more paid staff either from the d to ensure that they engage and manner and the trustees will also hd other relevant areas of law.

iant on the services of volunteers. not they also have any paid staff.

arity volunteers can be dealt with not paid staff. However, there as should also be engaged and ed in our Guidance Note: Charity t explains that every charity should with its volunteers, however few e such agreements for a number of the charity to prove, if challenged, aw, not employees. That Guidance legal obligations and duties that applicable to volunteers.

capital cannot be raised from any w from individuals or others. If loan



funding is not available. You could any particular one-din mind.

10. Burden of administering general law

- 10.1 The areas of law an from case to case, law and regulation r
 - 10.1.1 Charity law
 - 10.1.2 Company la
 - 10.1.3 Risk Mana investment money laund
 - 10.1.4 Conflicts of
 - 10.1.5 Tax and VA
 - 10.1.6 Regulation collections,)
 - 10.1.7 Employment
 - 10.1.8 Pensions
 - 10.1.9 Equality
 - 10.1.10Data protect
 - 10.1.11Buying good
 - 10.1.12Selling good
 - 10.1.13Retail shop
 - 10.1.14Consumer la
 - 10.1.15Website sal
 - 10.1.16Website reg
 - 10.1.17Contracts
 - 10.1.18Making/rece
 - 10.1.19Borrowing/fi
 - 10.1.20Health & sa
 - 10.1.21Safeguardin
 - 10.1.22Insurance
 - 10.1.23Intellectual confidential
 - 10.1.24Licensing

a charity's needs, it will have to at it will need in order to operate ou set up your charity, you could to you from government and other, whether funds can be raised from at other sources of funds might be it would be practicable to carry out initiatives or events that you have

ng with both charity law and the

n a charity and its trustees will vary articular order) lists those areas of mpact on a charity and its trustees:

safety, financial management, oss/damage, reputation damage, recovery, insurance)

g gambling, appeals for funds,

adults)

database rights, trademarks,

10.1.25Advertising

10.1.26Acquiring/di

10.1.27Planning lav

10.2 Some of those area forms which you wi might also find it he and in our Business

10.3 Before you set up a areas of law and r comply with the rele

11. Startup tips

11.1 Setting up and runn some of the same le business. You migh in Business Start U can see here before

11.2 There might also be to charities that you

12. Other matters to think ab

12.1 Other matters could impact on the succ experience of runnii for a while so that starting a charity is charities that will no a/the founder and w time to devote to th you aware that, as charity as "your cha be made by all trust market research, charity? Are you fu will or might compet contacts who could

13. Checks before you set up

13.1 Before you to set up

- 13.1.1 be clear tha type of organ
- 13.1.2 ensure that charity in law
- 13.1.3 choose trust check that i recommend
- 13.1.4 decide on th
- 13.1.5 choose a na may be used

hold property nental protection.

rmation, document templates and Non-Profit Documents group. You other parts of the Corporate folder

consider and take advice on which tand on what you need to do to

volve considering and dealing with that arise when setting up a small to look through the issues covered ess Information section which you et up a new charity.

usiness or financial issues specific re before you take any other steps.

charity

important in terms of their practical example, do you have personal der working with an existing charity inderstanding of what is entailed: type of venture, and issues arise in er kinds of organisation. If you are tees, will you have adequate spare cessfully and keep it running? Are governance, you cannot treat the decisions alone; decisions have to a carried out adequate and relevant h potential beneficiaries of your narity or other organisations which ds? Do you have useful and helpful?

ly to register it, you should first:

ew charity rather than some other

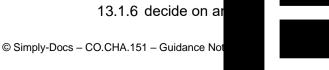
e the features that qualify it as a

them is eligible to be trustees, and pt appointment as a trustee. We be trustees at all times.

or the charity

necking that the name you propose are legal restrictions on names

rposes



5

13.1.7 create the c

13.1.8 ensure that t

14. What does it cost to set u

- 14.1 There is no fee to re legal form of the cl limited by guarante small fee will be pay
- 14.2 You might need to i some professional f some work or providall of the work of the charity does not ne nominal.

15. How to register a new ch

15.1 Registration not app

15.1.1 If your new and you are Incorporated Commission as a charity: law although You might w simple cons Unincorpora

15.2 Registration require

- 15.2.1 If, however, Charitable I annual incor Commission
- 15.2.2 To register y website pag email addres online charit
- 15.2.3 You might al can claim ta you can find

nent (i.e. constitution) – you might site or to adapt it.

neet the public benefit requirement

Charity Commission, whatever the n the form of charitable company ter it at Companies House, and a

ees (e.g. solicitor, accountant) but d rate to charities or might even do bono basis (i.e. without charge). If trustees and/or volunteers, and the , other startup costs might only be

ome of more than £5,000 per year in the legal form of a Charitable to need to register it with the Charity till form and run your organisation rity in law, it will still be a charity in arity with the Charity Commission. registered charity using a relatively ort Form Constitution for a Small n find here.

be set up in the legal form of a n, or, irrespective of its form, its ou must register it with the Charity

o the relevant Charity Commission
You will then need to input youryou can access the Commission's

M Revenue & Customs so that you To do so, go to its website which